Strategic Plan
FY 2007-2010

Last Updated: 8/9/2006

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INTRODUCTION: PURPOSE AND METHODOLOGY

Over the years, PERSI has demonstrated a clear commitment to customer satisfaction and quality service delivery. PERSI staff members in all business areas are dedicated to serving members and employers to the best of their abilities and have shown a sincere interest in seeing PERSI succeed and grow. The organization as a whole has a history of looking for ways to keep up with or even surpass innovative trends in the industry.

In July 2003, PERSI began a multi-phase Business Process Reengineering project. The project is due to be completed in the third quarter of 2006. As of the end of this fiscal year, the following phases of the project have been completed:

- a series of strategic planning workshops with Executive Staff and a business operations assessment identifying recommended service and operations improvements;
- conversion and indexing of about 1.8 million microfilm images to digital images;
- development and implementation of a significant reorganization of staff into three customer-focused line-of-business areas including the PERSI Answer Center (PAC), the PERSI Processing Center (PPC) and the Employer Service Center (ESC);
- development of process and training modules for each of these centers which are used to provide comprehensive training in all PERSI services. Service areas involved are those that work with active members including the handling of disability, divorce, death, and retirement cases; retired members, and employers.

With the significant reorganization of the PERSI staff, the future addition of phone call monitoring systems, and the implementation of automated workflow PERSI is basically starting from scratch on our work measurement effort. Not only has the way we performed our work changed, but also the way we measure that work will be changing. The former measures of "ticky marks" will be replaced by productivity and quality of work measures. The measures in the previous strategic plans will no longer be appropriate and will not be tracked going forward.

This identification and tracking of the new metrics will be a longer-term effort involving adding and deleting metrics to determine those that are accurate measures of performance as well as changing the benchmarks to reflect the appropriate level of performance. It will be a learning process.

As a result of the strategic planning portion of the project, PERSI redesigned its FY2005-2008 Strategic Plan and the redesign continues with this FY 2006 – 2010 Strategic Plan. The plan submitted here has eliminated those goals that have been accomplished, provides additional specificity of metrics and identifies future projects that will help quantify additional goals and measurements. In addition to goals and strategies for achieving those goals, PERSI also included targets and timelines that will assist us in more comprehensive performance modeling. Engaging in this process, PERSI has adopted the following strategic planning and performance monitoring model:

Strategic
Planning

Performance
Measurement

Establish
Performance
Measures

PERSI
MISSION

Operations/
Management

Budgeting

The planning and success monitoring process will be an on-going loop with PERSI's mission at its core. The loop begins with strategic planning and proceeds to setting performance goals, budgeting for implementing the plans, managing the operations, and measuring the performance of all the steps and their overall impact on the goals of the organization. By developing a continuous strategic planning-to-performance measurement process, we hope to generate operational data for use in managing resources more efficiently and effectively, which will assist in meeting the ever-growing demands of our customers.

MISSION / VALUES / FIDUCIARY STATEMENT

As illustrated in the strategic planning and performance monitoring model provided above, the PERSI Mission is at the core of this Strategic Plan and all of PERSI's goals for the future. The PERSI Mission, Core Values and Fiduciary Duty of Loyalty below drive all PERSI operations and service delivery. Each of these is a critical element of this Strategic Plan.

PERSI Mission

"To provide our members and their beneficiaries with reliable, secure, long-term retirement, survivor and disability benefits as specified by law."

"To provide our members with, high-quality information and education so that they may make sound financial planning decisions incorporating their PERSI Base and Choice Plans as the foundation for a financially rewarding retirement."

"To, above all, provide friendly, accurate and timely customer service to all our members."

PERSI Core Values

"In our interactions with employers, members, internal staff and oversight agencies; in the tasks and activities we undertake; indeed, in everything we do, PERSI is guided by a set of core values and beliefs:

Our fiduciary duty always comes first
We treat everyone fairly, consistently, and with respect
We exist to serve PERSI members
Every action we take is transparent and open to scrutiny
We are committed to making PERSI an enjoyable and rewarding place to work
We are a team; for any one to succeed, all must succeed."

PERSI Fiduciary Duty of Loyalty

"The primary duty of the Retirement Board and PERSI staff, as fiduciaries, is that of loyalty, or acting with an "eye single" to the interests of the beneficiaries.

PERSI is required by law to make all its decisions solely in the interest of the beneficiaries and to avoid, at all costs, serving the interests of any other party not a beneficiary of the system."

BACKGROUND

Historical Overview

The Public Employee Retirement System of Idaho (PERSI) was created in 1963 by the Idaho Legislature with funding effective July 1, 1965. Since that time, PERSI has provided a Defined Benefit (DB) plan designed to provide secure, long-term retirement benefits for career public service employees. In 1995, PERSI took over as plan administrator for a 401(k) Defined Contribution program, and began offering it to employees of the State of Idaho as a supplement to the DB plan.

Organization and Governance

Retirement Board

PERSI is directed by a five-member Retirement Board. Individuals on the Board are appointed by the Governor of the State of Idaho for terms lasting five years. These appointments are subject to Senate confirmation. State law requires that two members of the Board be active PERSI members with at least ten years of service.

The current Board includes:

Jody B. Olson, Chairman	Term expires July 1, 2007
Clifford T. Hayes	Term expires July 1, 2009
Jeff Cilek	Term expires July 1, 2010
J. Kirk Sullivan	Term expires July 1, 2011
Pamela I. Ahrens	Term expires July 1, 2008

PERSI Staff

PERSI currently employs 63 staff members operating from the home office in Boise (58 employees) and the member services offices in Coeur d'Alene (2 employees) and Pocatello (3 employees).

Functional areas of PERSI currently include:
■ Financial (Investments/Portfolio & Fiscal)
■ Employer Services Center
■ Defined Contribution Plan
■ Public Information
■ Information Technology
■ PERSI Answer Center
■ PERSI Processing Center

KEY EXTERNAL FACTORS (BEYOND AGENCY CONTROL)

A number of external factors influence the way in which PERSI operates. Federal and state legislation, IRS requirements, membership demographics, employers, legislators, the economy and its impact on investments, and a host of other external factors play a large role in the structure of the benefits and services offered by PERSI. Some of the major factors are explained here.

Growth and Diversity of PERSI Membership

Since 1965, PERSI has grown from a relatively small organization of eight staff members serving 5,404 active members employed by state agencies and 19 political subdivisions to a much larger and more "mature" retirement system including more than 67,000 active members at about 700 employers across the state. In addition, there are over 28,000 retirees and 19,000 inactive members in PERSI. PERSI staff has grown to include 63 staff members in Boise, Coeur d'Alene, and Pocatello offices.

The following is a projection of the growth in annual PERSI transactions over the ten years period. As you can see, the growth in retirements along with other transactions is projected to increase substantially. PERSI cannot control this aging of our population but must react to it.
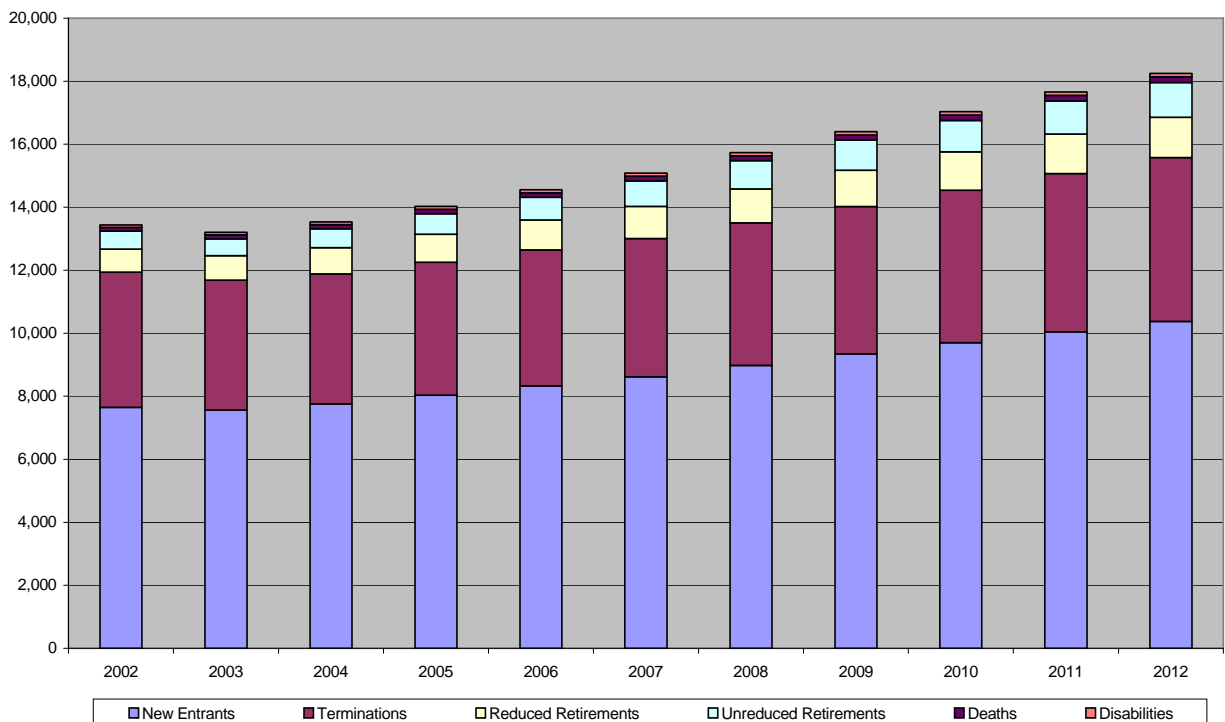
Effects of Investments on PERSI Trust Fund and Operations

PERSI is funded by a combination of investment earnings and employer and employee contributions. Like all retirement systems, the rise and fall of the stock market has an impact on the PERSI trust fund over the years. Following national trends, the fund saw a decline from 2000 to mid-2003. For Fiscal Year 2004 and 2005, however, the fund earned gross returns of 18.1 percent and 10.7 percent respectively.

PERSI's objective is to minimize the effect of external influences when possible by diversifying among a wide range of asset classes and investment management styles, both domestically and internationally. With billions invested worldwide, PERSI does everything possible to manage risk to the fund given the asset allocation. However, the rise and fall of world markets is impossible to predict or control; therefore, PERSI funding levels are very much subject to the rise and fall of the markets.

Technology

Rapidly changing technology also challenges PERSI's ability to meet the expectations of its members. The market place, to the largest degree, shapes our members' expectations of services provided by PERSI on the Internet and the systems that support the staff. For example: "You should be able to just push a button and give me my benefits." is a common request from members. Although PERSI systems have generally kept pace with information technology especially with our recent digital imaging and automated workflow project, we must work harder to keep ahead of member expectations in terms of our Web services.

Federal Law and Regulation Changes Regarding Retirement Plan Qualifications

PERSI is a tax qualified retirement plan as designated by the Internal Revenue Service. To maintain that very valuable status, we must respond quickly and accurately to the changes in Federal Laws and Regulations from IRS and Department of Labor. This has become more and more of a task because public retirement plans have become more visible on the national scene and the IRS has more of a desire to ensure regulations apply equally to private and public retirement plans. At times their regulations are somewhat mis-guided and written without knowledge of the basic differences between public and private retirement plans. It requires constant attention to efforts by these agencies and analysis of the consequences of a variety of actions.

GOALS,

STRATEGIES,

PERFORMANCE MEASURES

Goals for the Future

After analysis of survey results and the identification of critical issues, stakeholder wants and needs and the organization's strengths, weaknesses, opportunities and threats, PERSI developed goals for the future to address the issues raised through this examination. Executive Staff identified the following four main goal areas:

- Customer Service
- Education
- Technology
- Agency Administration and Support

In each of these areas, PERSI developed specific goals with corresponding strategies for reaching those goals as listed below. Specific strategies, measurements, and targets are provided in detail in the following charts

Customer Service
- Improve quality and effectiveness of member customer service to achieve extraordinary customer satisfaction.
- Improve quality and effectiveness of employer customer service to achieve extraordinary customer satisfaction.

Education
- Improve PERSI member education program so that members understand their retirement benefits, the value of those benefit and how to use them in achieving their retirement goals.
- Improve employer education program so employer knowledge and skills improve the quality of data transmitted from employers.
- Improve PERSI staff knowledge and skills while developing staff members who understand their professional missions and their management's expectations.

Technology
- Ensure that the PERSI and associated technology environment supports PERSI's business and customer service requirements.

Agency Administration and Support
- Develop and maintain technology, procedures, and staff training to ensure proper operations of PERSI and monitoring of the operations.

Customer Service - 1

GOAL: Improve quality and effectiveness of **MEMBER** customer service to achieve extraordinary customer satisfaction

Objectives/Strategies:
1. Improve quality and number of member contacts by PERSI staff to assist in explanation of PERSI services and benefits.

2. Improve quality and effectiveness of "first contact" with customers.
   a. Maintain and Improve Knowledge Base of Staff.
   b. Improve Telephone Customer Service.
   c. Improve member self-service abilities (web account information and transactions).

3. Ensure all benefits delivered timely and accurately.

Performance Measures:

Measurements	Benchmarks	Source
Overall member satisfaction level with PERSI of Somewhat or Very Satisfied	90%	Member Transactional Survey (Annually compiled)
Overall member satisfaction level with identified business process of Somewhat or Very Satisfied	90%	Member Transactional Survey (Annually compiled)
Number of calls that get through to a knowledgeable person on the first try.	90%	Non-transferred calls from ACD reports
Average wait time to get to a knowledgeable person.	Less than 1 minutes	ACD Report
Number of days it takes from date of first request to provide a *formal* written pension estimate.	5 days	Workflow Reports
Number of days it takes to provide a member separation benefit from receipt of paperwork	5 days (Cutoff Monday for Wed. Pay)	Workflow Reports
Percentage of PERSI retirees who receive their first annuity within 31 days of their first annuity pay date.	95%	Workflow
Develop a 3-year plan to increase the number of self service offerings on Internet	January 1, 2007	Plan Completed
Develop a data quality maintenance plan & metrics	November 1, 2006	Plan completed
Update transactional survey methodology and implement revised methods.	January 1, 2007	Survey updated and implemented
Standards for grade of service to improve answer time, as well as percentage of abandoned calls.	90% in 60 seconds Less than 1-3% abandoned	ACD Reports
Develop call tracking system for call trends and to determine staff educational needs	July 1, 2007	Call tracking system implemented

Customer Service - 2

GOAL: Improve quality and effectiveness of **EMPLOYER** customer service to achieve extraordinary customer satisfaction

Objectives/Strategies:

1. Improve/maintain training program for Employers and provide one-on-one training to new payroll technicians within first six months to increase effectiveness of PERSI reporting.

2. Enhance the electronic access for submitting transmittals that provide immediate and specific feedback to employers regarding data quality issues and allows employers to access and update related employer information such as contacts and addresses.

3. Ensure timely and accurate processing of employer transmittals.

Performance Measures:

Measurements	Benchmarks	Source
Employer satisfaction levels with PERSI of Satisfied or Very Satisfied.	95%	Employer Survey
Employer satisfaction with Employer meetings	95%	Employer Meetings
Identify and train employer payroll technicians in first 6 months of hire.	50%	Manual Count
Update and enhance PERSI Employer Portal to include On-Line Guideline and more interactive employer editing of data.	July 1, 2007	Enhancements completed
Redesign and implement Employer Audit/Visit to reflect education and customer service philosophy.	Implement by July 1, 2007	Employer Audit Guidelines and Procedures
Timely Processing of Employer Transmittals	2 days after receipt of clean data and contributions.	Monthly Statistics Report

Education - 1

GOAL: Improve PERSI member education program so members understand their retirement benefits, the value of those benefit and how to use them in achieving their retirement goals.

Objectives/Strategies:

1. Using a multi-media approach, present information to members at the appropriate times in their careers and for their age.

2. Use current vehicles such as newsletters, brochures and handbooks as well as Web sites, streaming video and other technology for instructional purposes.

3. Ensure educational presentations fulfill the needs of the members who are attending the sessions.

Performance Measures:

Measurements	Benchmarks	Source
Develop and implement a comprehensive member education plan that outlines the training objectives for PERSI members at various stages of their career	January 1, 2007	Plan developed
NEW MEMBERS: An updated appropriate orientation package on PERSI benefits to be delivered six months after hire date.	January 1, 2007	Package Distributed
CAREER MEMBERS: Develop an annual (calendar year) editorial calendar that outlines the educational pieces for member publications for the particular year.	October 1, each year beginning 2006	Calendar Developed
NEAR RETIREMENT: Develop a package of educational materials (using various appropriate media) to inform members planning for retirement (5 years or less) of the key considerations they need to explore.	July 1, 2007	Program developed
SPECIAL TOPICS: Develop or sponsor Special Topic presentations or materials for items of general interest such as Social Security, Medicare, LTC, etc.	January 1, 2008	Special Programs Initiated

Education - 2

GOAL: Improve employer education program so that employer knowledge and skills improve the quality of data transmitted from employers.

Objectives/Strategies:

1. Expand and maintain an employer training program to provide comprehensive and ongoing employer education and training in specific issues such as class eligibility and other specific data reporting issues.

2. Develop education programs to increase the number of qualified PERSI staff available to provide training and education to employers.

Performance Measures:

Measurements	Benchmarks	Source
Develop and implement PERSI employer new payroll technician Training Plan.	July 1, 2007	Plan Implemented
Develop and implement Employer Certification program to determine general knowledge of PERSI.	July 1, 2007	Curriculum Developed
Number of employer staff who obtain certification each year.	20	Manual count
Expand PERSI staff resources to provide Employer Meetings throughout the state	July 1, 2008	Number of qualified staff

Education - 3

GOAL: Improve PERSI staff knowledge and skills while developing staff members who understand their professional missions and their management's expectations.

Objectives/Strategies:
1. Increase focus on staff training and cross training to enhance staff customer service and processing capabilities (internal and external).
2. Increase focus on staff performance process
3. Continuously involve staff in process development to increase their insight into total PERSI operations and their role in those operations.

Performance Measures:

Measurements	Benchmarks	Source
Create and maintain certification program for positions where benefit information is given to members	Implemented January 1, 2008 Exams with a 90% pass rate	Training and testing program implemented
Number of internal educational sessions provided each year.	Provide 2 sessions each year	Manual count
Maintain level of staff knowledge through design of new training session on new policies and processes as well as refresher courses of current processes.	Implemented January 1, 2008	Training Curriculum and schedule implemented.

Technology

GOAL: Ensure that PERSI and associated technology environment supports PERSI's business and customer service requirements.	

Objectives/Strategies:
1. Evaluate the PERSI and associated technology environment with regard to supporting PERSI's technology initiatives.
2. Acquire appropriate hardware, software, or other technology to support PERSI's business and customer service initiatives.
3. Engage IT staff and contractors who have experience in the technologies that support PERSI's initiatives.

Performance Measures:

Measurements	Benchmarks	Source
Implementation of PERSI's new Data and Voice Network which includes connectivity to our remote offices in Pocatello and Coeur D'Alene	January 1, 2007	Hardware, software and connectivity completed
Migration of PERSI to .GOV	July 2007	Migration completed
Implement Patch Management system to ensure highest level of protection against Malware, Viruses, and Spyware.	August 30, 2006	Plan completed and implemented
Consolidation of server hardware into blade server environment to support the rapid growth due to imaging, workflow, data needs for retirement increases	January 1, 2007	Consolidation completed

Agency Administration and Support

GOAL: Develop and maintain technology, procedures, and staff training to ensure proper operations of PERSI and monitoring of operations.

Objectives/Strategies:
1. Develop and maintain technology, procedures, and staff training for emergency business resumption and operations to ensure PERSI remains operational and current.
2. Improve PERSI performance measurement and monitoring capabilities.
3. To ensure accurate data and procedures, improve internal audit procedures and data quality review.
4. Ensure continuity, organizational leadership and operational knowledge.

Performance Measures:

Measurements	Benchmarks	Source
Perform regular disaster recovery exercises by business area.	2 times a year	Manual & CD
Enhance disaster recovery capabilities to include transmittal reporting and investment of funds.	July 1, 2008	Manual & CD
Identify and develop metric reporting capabilities within the ACD phone system and workflow system.	January 1, 2007	Metrics identified and summary reported quarterly to Board and incorporated within CEM report
Compare operations benchmarks to national public pension funds	Annually	CEM Report
In addition to regular internal control audit, conduct a specific internal control audit for PERSI operations.	By July 1, 2007 complete internal control audit and have internal control procedures design and implemented.	Internal Control Report
Design and implement a comprehensive, on-going program of data quality analysis.	Program implemented by January 1, 2007	Data quality procedures manual.
Design and implement a succession planning approach for key staff members.	July 1, 2007	Succession Plan

APPENDIX I:

STAKEHOLDER ANALYSIS

This table provides a summary of stakeholder needs and wants identified during recent workshops.

Identified Wants / Needs of PERSI Stakeholders	Customer Service	Education	Technology	Benefits/Plan Enhancement	Administration and Support
Online Account Information	●		●		
Instant Estimates	●		●		
Easier Website	●	●	●		
Timeliness	●		●		
More One-On-One Service	●				
More Workshops	●	●			
More Publications	●	●			
The "Right" Answer / Better, More Accurate Data	●	●			
Training for Payroll Personnel	●	●			
Consistency of Policy	●				
Reach a "Live" Person on the Phone	●				
More Employer Assistance	●				
Better Notification for Employers	●				
Education on Both Plans		●			
More Financial Planning		●			
Improved Transmittal Procedures (Employer)		●	●		
Medical Insurance (Retired)				●	
Long-term Care Insurance (Retired)				●	
Law Changes				●	
Long-term Security (reassurance)					●
Adequate Staffing					●
Adequate Compensation					●
Cost Effectiveness					●
More Timely Reports					●